

Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

ENVIRONMENT, FISH AND WILDLIFE

June 18, 2004

In reply refer to: TLP-4

Dear Fish and Wildlife Contractor:

As you may know, the Bonneville Power Administration (BPA) Division of Fish and Wildlife is conducting a Process Improvement Initiative to improve its project management activities under the Fish and Wildlife Program. A part of this effort is to diversify the contract types used to implement work in the program. Currently, a large proportion of the contracts issued are cost-reimbursement. We would like to begin to offer more opportunities for our contractors to use fixed price, fixed unit price, financial assistance, or time and materials contract types for specific work categories. Definitions for each contract type, as well as examples of the type of work eligible are enclosed for your reference.

The purpose of this letter is to ascertain your willingness and ability to enter in the various types of contracts available. We understand that each entity has its own contract protocols that may inhibit or allow various contract types. Please complete and return the attached questionnaire. If you have any questions, Kristi Van Leuven, BPA Contract Specialist, is available to answer them via telephone at 503-230-3605 or email; address of kjvleuven@bpa.gov.

Please complete and return the attached questionnaire (hard copy mailed or email) to the following address:

Kristi Van Leuven, TLP-4
Bonneville Power Administration
PO Box 3621
Portland OR 97208-3621
kjvleuven@bpa.gov

We appreciate your response.

Sincerely,
Scott R. Hampton
Manager, EF&W Business Operations Support

Enclosure

**DEFINITIONS OF CONTRACT TYPES CURRENTLY AVAILABLE
TO BPA FISH AND WILDLIFE CONTRACTORS**

Cost Reimbursement: Used when the Statement of Work (SOW) cannot be clearly specified to allow the contractor to adequately evaluate risk in the project. BPA pays the contractor for all costs incurred under the contract, as long as they are deemed reasonable and were described and agreed to in the contract budget. The contractor makes their 'best effort' to complete work requirements, but does not guarantee delivery. A cost ceiling is established and when the contractor reaches that ceiling, no further work can be completed unless the ceiling is increased.

Sub-type:

Time and Materials: When a majority of the work to be completed is labor, payment is made based on a negotiated billing rate (\$/hour). The billing rate contains all items of overhead, direct and indirect costs, etc. Materials (including subcontracts) are reimbursed at cost although the vendor may charge a processing fee for this work (if not clearly provided in the indirect rate). Labor rate does not change during performance period (usually 1 year).

Fixed Price: The contractor agrees (guarantees) to provide the deliverable(s) at a specified price. The SOW is specific so that the contractor can evaluate the risk in the project. Price is fixed; performance is guaranteed. If a change to the Statement of Work/Specification is made, the contractor submits a change order, with the corresponding change to price, to the BPA Contracting Officer. Payment made as progress achieved or deliverable provided; the Contracting Officer's Technical Representative (COTR) is required to verify completion/progress.

Sub-type:

Fixed Unit Price: The contract terms identify a fixed price for a specified measurable unit. The unit rate includes all direct and indirect costs associated with work. The SOW/Specification is sufficiently specific so the contractor can evaluate risk. The contractor invoices only at the negotiated price per unit. Payment is made as units are "delivered." The COTR is required to verify delivery of units.

Financial Assistance: Usually used to accomplish a public purpose and not a specific deliverable; the outcome of the work does not directly benefit BPA nor is the outcome directly used by BPA. The SOW is written in terms of desired outcomes and proposed by the recipient. Because specific deliverables are not contractually enforceable, financial assistance agreements may be appropriate for projects where BPA is not depending on the deliverables to meet BPA's obligations under the Endangered Species Act and the Northwest Power Act.

Response to BPA Fish and Wildlife Questionnaire on Contract Types

1. Name of Person responding: _____ Phone: _____
2. Point of Contact (if different from person named above) _____
3. Contractor – Name of Entity: _____
4. Project Managers
(Entity): _____

5. Number of Contracts/Financial Assistance Awards currently with BPA: _____
6. My entity is authorized to enter into Fixed Price Contracts: ____ Yes ____ No
7. My entity is authorized to enter into Fixed Unit Price Contracts: ____ Yes ____ No
8. My entity is authorized to enter into Time and Materials Contracts: ____ Yes ____ No
9. My entity is authorized to enter into Financial Assistance Awards: ____ Yes ____ No
10. We are interested in entering into the following types in our work with BPA:
____ Cost Reimbursement ____ Fixed Price ____ Fixed Unit Price
____ Time and Materials ____ Financial Assistance
11. Issues we have with entering into different contract types:

12. Time it takes for our contracts to be signed once they are received in our office: _____ days
(estimated)
13. We would be willing to be among the first to test an alternate contract type: _____